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- (4) The values required to calculate credits as given in paragraph (c) of this section:
- (5) The resulting type and number of credits generated/required;
- (6) How and where credit surpluses are dispersed; and
- (7) How and through what means credit deficits are met.
- (m) Additional flexibility for complete heavy-duty vehicles. If a complete heavy-duty vehicle has a NO_X FEL of 0.6 grams per mile or lower, a discount of 1.0 may be used in the trading and banking credits calculation for NO_X described in paragraph (c)(2) of this section.
- (n) Early banking for complete heavyduty vehicles. Provisions set forth in paragraphs (a) through (m) of this section apply except as specifically stated otherwise in this paragraph (n).
- (1) Early banking eligibility. To be eligible for the early banking program described in this paragraph, the following must apply:
- (i) Credits are generated from complete heavy-duty vehicles.
- (ii) During certification, the manufacturer shall declare its intent to include specific test groups in the early banking program described in this paragraph (n).
- (2) Credit generation and use. (i) Early credits may be generated by test groups starting in model year 2000.
- (ii) Credits may only be used for complete heavy-duty vehicles subject to chassis-based standards, except as provided by paragraph (o) in this section, and all credits shall be subject to discounting and all other provisions contained in paragraphs (a) through (m) of this section.
- (o) Credit transfers. A manufacturer that elects to comply with Option 1 or 2 contained in §86.005–10(f) may transfer credits between its complete vehicle averaging set and its heavy-duty Otto-cycle engine averaging set as follows:
- (1) Credits earned in model years 2004 (2003 for Option 1) through 2007 are eligible to be transferred.
- (2) Transferred credits may not be banked for use in model years 2008 and later. Credits that are transferred but not used prior to model year 2008 must be forfeited.

(3) Prior to transferring credits, a manufacturer must develop a methodology to transfer the credits including a conversion factor that may be used to convert between chassis-based credits (derived on a grams per mile basis) and equivalent engine-based credits (derived on a grams per brake horsepower-hour basis). The methodology must be approved by EPA prior to the start of the model year in which the credits are to be transferred. The conversion factor must provide reasonable certainty that the credits are equivalent for the specific vehicle test group(s) and engine family(s) involved in the generation and use of the cred-

[65 FR 59971, Oct. 6, 2000, as amended at 71 FR 2830, Jan. 17, 2006]

§86.1817-08 Complete heavy-duty vehicle averaging, trading, and banking program.

Section 86.1817-08 includes text that specifies requirements that differ from §86.1817-05. Where a paragraph in §86.1817-05 is identical and applicable to §86.1817-08, this may be indicated by specifying the corresponding paragraph and the statement "[Reserved]. For guidance see §86.1817-05." This section does not apply for NO_x or NMOG+NO_x emissions for vehicles certified to the Tier 3 standards in §86.1816-18, including those vehicles that certify to the Tier 3 standards before model year 2018. See §§86.1860 and 86.1861 for provisions that apply for vehicles certified to the Tier3 standards.

- (a) through (o) [Reserved]. For guidance see \$86.1817-05.
- (p) The following provisions apply for model year 2008 and later engines. These provisions apply instead of the provisions of paragraphs §86.1817–05 (a) through (o) to the extent that they are in conflict.
- (1) Manufacturers of Otto-cycle vehicles may participate in an NMHC averaging, banking and trading program to show compliance with the standards specified in §86.1806–08. The generation and use of NMHC credits are subject to the same provisions in paragraphs §86.1817–05 (a) through (o) that apply for $NO_{\rm X}$ credits, except as otherwise specified in this section.

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- (2) NO_X or NMHC (or NO_X plus NMHC) credits may be exchanged between heavy-duty Otto-cycle test groups certified to the engine standards of subpart A of this part and heavy-duty Otto-cycle test groups certified to the chassis standards of this subpart, subject to an 0.8 discount factor (e.g., 100 grams of NO_X credits generated from vehicles would be equivalent to 80 grams of NOx credits if they are used in the engine program of subpart A of this part, and vice versa). Credits that were previously discounted when they were banked according to §86.1817-05(c), are subject to an additional discount factor of 0.888 instead of the 0.8 discount factor otherwise required by this paragraph (p)(2). This results in a total discount of $0.8 (0.9 \times 0.888 = 0.8)$.
- (3) Credits are to be rounded to the nearest one-hundredth of a Megagram.
- (4) To calculate credits relative to the NO_X standards listed in §86.1816–08 (a)(1)(iv)(A) or (a)(2)(iv)(A) (0.2 or 0.4 grams per mile, respectively) express the standard and FEL to the nearest one-hundredth of a gram per mile prior to calculating the credits. Thus, either 0.20 or 0.40 should be used as the value for "Std".
- (5) Credits generated for 2008 and later model year test groups are not discounted (except as specified in $\S 86.1817-05(c)$ and paragraph (p)(2) of this section), and do not expire.
- (6) For the purpose of using or generating credits during a phase-in of new standards, a manufacturer may elect to split a test group into two subgroups: one which uses credits and one which generates credits. The manufacturer must indicate in the application for certification that the test group is to be split, and may assign the numbers and configurations of vehicles within the respective subfamilies at any time prior to the submission of the end-ofyear report described in §86.1817-05 (i)(3). Manufacturers certifying a split test group may label all of the vehicles within that test group with the same FELs: either with a NO_X FEL and an NMHC FEL, or with a single NO_X+NMHC FEL. The FEL(s) on the label will apply for all SEA or other compliance testing.
- (7) Vehicles meeting all of the applicable standards of §86.1816-08 prior to

model year 2008 may generate NMHC credits for use by 2008 or later test groups. Credits are calculated according to \$86.1817–05(c), except that the applicable FEL cap listed in \$86.1816–08(a)(1)(ii)(B) or (2)(ii)(B) applies instead of "Std" (the applicable standard).

[66 FR 5192, Jan. 18, 2001, as amended at 79 FR 23725, Apr. 28, 2014]

§86.1818-12 Greenhouse gas emission standards for light-duty vehicles, light-duty trucks, and medium-duty passenger vehicles.

(a) Applicability. (1) This section contains standards and other regulations applicable to the emission of the air pollutant defined as the aggregate group of six greenhouse gases: Carbon dioxide, nitrous oxide, methane, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride. This section applies to 2012 and later model year LDV, LDT and MDPV, including multifuel vehicles, vehicles fueled with alternative fuels, hybrid electric vehicles, plug-in hybrid electric vehicles, electric vehicles, and fuel cell vehicles. Unless otherwise specified, multi-fuel vehicles must comply with all requirements established for each consumed fuel. The provisions of this section, except paragraph (c), also apply to clean alternative fuel conversions as defined in 40 CFR 85.502, of all model year light-duty vehicles, light-duty trucks, and medium-duty passenger vehicles. Manufacturers that qualify as a small business according to the requirements of §86.1801-12(j) are exempt from the emission standards in this section. Manufacturers that have submitted a declaration for a model year according to the requirements of §86.1801-12(k) for which approval has been granted by the Administrator are conditionally exempt from the emission standards in paragraphs (c) through (e) of this section for the approved model year.

(2) The standards specified in this section apply only for testing at low-altitude conditions. However, manufacturers must submit an engineering evaluation indicating that common calibration approaches are utilized at high altitude. Any deviation from low altitude emission control practices